(b) In conformity with the policy of the Government, various measures have been initiated to encourage foreign direct investment and investment from Non Resident Indians (NRI)/Overseas Corporate Bodies (OCB) and Foreign Institutional Investors (FII). The Government has allowed cover for incremental FII equity investment and separated and made independent FII and NRI/OCB limits on portfolio holdings in a company. The NRI/OBC limits have been enhanced.

As per the announcements made in the Union Budget, 1998-99, Unit Trust of India is planning to launch a new India Millennium Scheme, to invite subscription in dollars from the NRIs State Bank of India is planning to launch a new Resurgent India Bond denominated in foreign currencies for subscription by NRIs. Investment by the FII debt funds in unlisted domestic debt securities has been proposed. The budget has also proposed measures to accelerate processing and implementation of foreign direct investment. In addition, announcements were made for increasing investments in infrastructure.

Blockage of Basmati Exports

2777. DR. D. VENKATESHWAR RAO: Will the Minister of COMMERCE be pleased to state:

(a) whether attention of Government have been drawn to the new-item appearing in "The Economic Times" dated 16th June, 1998 captioned "EU blocking our basmati exports, India tells WTO";

(b) if so, the facts thereof; and

(c) the measures proposed against the European Union for its failure to carry out its obligations under the provisions of GATT agreement?

THE MINISTER OF COMMERCE (SHRI RAMA KRISHNA HEGDE): (a) Yes, Sir.

(b) The Commissioner of European Communities vide Commission Regulation (EC) No. 703/97 dated 18/9/97 has introduced for a trial period from 1 July, 1997 to 30 June, 1998 a commulative recovery system for determining certain export duties on rice and amending Regulation (EC) No. 1503/96.

(c) Government has held formal consultations with the European Commission on various provisions of the Commission Regulation (EC) No. 703/97 under Article XXIII of General Agreement on Tariffs and Trade 1994.

Losses by Coffee Board

2778. SHRI GHUFRAN AZAM: Will the Minister of COMMERCE be pleased to state:

(a) whether the Coffee Board has been suffering losses since the past few years;

(b) if so, the factors responsible for such losses;

(c) whether Government have formulated any action plan to make the Coffee Board viable; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMA KRISHNA HEGDE): (a) No, Sir.

(b) to (d) Do not arise.

Setting up of a Free Port

2779. SHRI RAJNATH SINGH 'SURYA': Will the Minister of COMMERCE be pleased to state:

(a) whether the Government has proposed to set up a free port in the country;

(b) if so, whether an existing port will be converted into a free port;

(c) whether the area has been identified; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMA KRISHNA HEGDE): (a) to (d) The advisory Committee set up under the Chairmanship of Shri Raunaq Singh, Industrialist, to examine the desirability and feasibility of establishing a Free Port in India had submitted its report on the subject. The report has been examined and the Govt. has asked the Indian Institute of Foreign Trade to draw up an implementation model including likely changes in laws and rules, administrative framework and also various fiscal measures to enable the Govt. to take a policy decision.

Scientists with Coffee Board

2780. SHRI GHUFRAN AZAM: Will the Minister of COMMERCE be pleased to state:

(a) the number and details of scientists with Coffee Board;

(b) the nature of research work carried out by these scientists during the past three years and results achieved;

(c) whether the scientists in Coffee Board are not at all conducting research in coffee causing losses to Coffee Board; and

(d) if so, the facts and details thereof?

THE MINISTER OF COMMERCE (SHRI RAMA KRISHNA HEGDE): (a) the total number of scientists presently working in the Coffee Board is 84. The Research Department of the Board, which is headed by the Director of Research, consists of 1 Joint Director, 6 Divisional Heads, 4 Deputy Directors, 17 Subject specialists, 18 Assistant Specialists, 10 Research Assistants Gr. I and 27 Research Assistants Gr. II

(b) to (d) With a view to increase production and productivity of coffee and to achieve the target of 3 lakh tonnes of production of coffee by the end of Ninth Five Year Plan, the Research Department of Coffee Board has been carrying out the following major projects, viz. (i) Plant Improvement Programme; (ii) Crop Management Programme; (iii) Project for Crop Protection; (iv) Post Harvest Technology; and (v) maintenance of Research Farms.

The research efforts of the scientists of the Coffee Board, have also ensured that the production of coffee has increased from 18,000 tonnes in 1950 to 2.28 lakh tonnes in 1997-98. Similarly, productivity has risen from 500 kg./ha to 860 kg./ha.

Some of the achievements of the Research Department of the Board in the last three years have been as under:—

—Improvement of Congensis × Robusta inter-specific hybrid by sib-mating for compact bush and bold seed.

—Identification of new sources of resistance to coffee leaf rust and nine new races of leaf frust fungus, Hemilea Vastatrix.

—Evolving 17 new crosses of Arabica with high yield and disease resistance and establishing them in multilocational trials.

—Standardisation of (i) protocols for regeneration of plants through tissue culture methods: (ii) spacing and topping requirement of dwarf Arabica selection, viz. San Ramon and Cavery; (iii) economic and efficient chemical weed control measure; (iv) sustenance irrigation requirement of Arabica and Robusta through drip irrigation; (v) Efficient spray schedules against leaf frust disease involving systematic fungicides Bayleton and Plantvax and developing a disease forecasting model, etc.

—Identification of (i) drought tolerant genotypes and evolving methods for overcoming drought; (ii) different isolates and four collateral hosts of black rot fungus Koleroga noxia and Standardisation of efficient and cost effective control methods.

—Evolving IPM package for the control of Coffee Berry Borer